

FISCAL NOTE

HB 3352 - SB 3339

April 12, 2004

SUMMARY OF BILL: Requires the State Board of Education to review all disciplinary actions taken by the Tennessee Secondary Schools Athletic Association (TSSAA) against any member schools. The review shall be conducted with a due process hearing to be presided over by an impartial decision maker, who will be chosen by the state board.

The State Board of Education shall ensure that the TSSAA not be allowed to assess its member school more than 25% of the gate receipts for playoff events in order to fund TSSAA activities.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - Exceeds \$100,000

Local Govt. Expenditures - Net Impact - Exceeds \$100,000*

Estimate assumes:

- The bill will have no impact on the Department of Education but would impact the State Board of Education.
- The State Board of Education estimates the need for additional staff to review all disciplinary actions taken by TSSAA against member schools and to handle due process hearings which must be presided over by an impartial decision maker. Such hearings could average 35 per year. Such increase in state expenditures for additional staff and additional hearings is estimated to exceed \$100,000.
- An increase in local government expenditures if the TSSAA no longer continues to provide certain benefits to the local school systems (catastrophic insurance, coach training, etc.) that are presently provided. The cost of catastrophic insurance for student athletics at TSSAA member schools is estimated to exceed \$500,000 per year. Should TSSAA not receive sufficient revenues, TSSAA could shift to its member schools the cost of catastrophic insurance, training for officials, and the other expenses it bears for the schools.
- By reducing TSSAA's share of gate receipts from 50% to 25% local government revenues would increase. Such increase is estimated to exceed \$100,000 statewide; however, it is not known whether the increase in revenues would be sufficient to offset the additional expense that could be shifted to member schools by TSSAA.

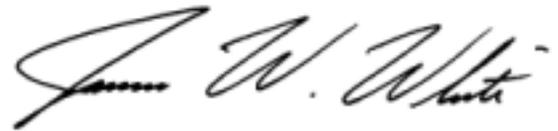
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For information purposes, TSSAA is a private not-for-profit corporation with membership by private and public schools being voluntary. The State Board of Education has jurisdiction over the public member schools of TSSAA; however, the State Board has no jurisdiction over the private member schools of TSSAA and presently has no authority to overturn the decisions of TSSAA. At present TSSAA receives approximately 50% of the net profits from gate receipts after all expenses of holding the playoff games are paid by the host team. The host team also receives all concession profits. It is not known whether the TSSAA would continue to provide these benefits to the member schools if the income derived from gate receipts of playoff games was reduced from 50% to 25%.

**Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with a large initial "J" and "W".

James W. White, Executive Director